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| **COMMISSIONERS:**  **TRICIA PRIDEMORE, Chairman**  **TIM G. ECHOLS, Vice-Chairman**  **FITZ JOHNSON**  **LAUREN “BUBBA” McDONALD  JASON SHAW** |  | **REECE McALISTER**  **EXECUTIVE DIRECTOR**  **SALLIE TANNER EXECUTIVE SECRETARY** |
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**Docket No. 44280**

**In Re:** **Georgia Power Company’s 2022 Rate Case**

**ORDER ADOPTING SETTLEMENT AGREEMENT AS MODIFIED**

Record Submitted: November 30, 2022 Decided: December 20, 2022

**APPEARANCES**

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**BY THE COMMISSION:**

**I.** **GEORGIA POWER COMPANY’S 2022 RATE CASE STATEMENT OF PROCEEDINGS**

Pursuant to the Rate Plan approved by the Georgia Public Service Commission (“Commission”) in the February 6, 2020 Order Adopting Settlement Agreement as Modified, in Docket No. 42516, Georgia Power Company’s 2019 Rate Case, the Commission ordered Georgia Power Company (“Georgia Power” or “Company”) to file, by July 1, 2022, a general rate case to address any changes in revenue requirements which may have occurred during the three-year period of this Rate Plan as follows:

*The Commission finds that a three-year term for the Settlement Agreement as Modified ending December 31, 2022 is reasonable. By July 1, 2022, the Company shall file testimony and exhibits required in a general rate case along with supporting schedules required by the Commission to support a “traditional” rate case. The test period utilized by the Company in its rate case filing shall be from August 1, 2022 to July 31, 2023. The Company may propose to continue, modify or discontinue this Alternate Rate Plan. The Company shall also file projected revenue requirements for calendar years 2023, 2024, and 2025.*

To accommodate preferred hearing dates and provide Public Interest Advocacy Staff (“PIA Staff”) adequate time to issue discovery prior to the Company’s direct hearings, the Company agreed to move its planned filing date from July 1, 2022 to Friday, June 24, 2022.

Accordingly, the Company submitted its filing, including all direct testimony, on June 24, 2022, with proposed rate changes to become effective August 1, 2022. The Commission issued a Procedural and Scheduling Order which, due to the complexity of the matters to be addressed in this docket, suspended the use of the proposed rate changes as contemplated by O.C.G.A. § 46-2-25 for a five-month period ending January 1, 2023, and declared the proceeding to be a contested case pursuant to O.C.G.A. § 50-13-13. Additionally, the Order deemed the proceeding “complex litigation” as that phrase is used in O.C.G.A. § 9-11-33(a).

Georgia Power’s 2022 Rate Case filing requested approval to continue the three-year Alternate Rate Plan (“ARP”) structure and requested a levelized rate increase of $852 million in 2023, and additional step increases of $107 million and $45 million to be effective January 1, 2024 and 2025, respectively. Hearings on Georgia Power’s direct case in support of its filing were held September 27-29, 2022.

In addition to the Commission’s PIA Staff, which has a statutory right to participate in this proceeding, a number of interested parties filed interventions. These interested parties included Americans for Affordable Clean Energy (“AACE”); Chargepoint, Inc.; the Commercial Group; Concerned Ratepayers of Georgia; Cypress Creek Renewables; EVgo Services, LLC; Georgia Association of Manufacturers (“GAM”); Georgia Coalition of Local Governments (“the Coalition”); Georgia Conservation Voters[[1]](#footnote-1); Georgia Interfaith Power & Light, Inc. (“GIPL”); Georgia Solar Energy Association (“GA Solar”); Georgia Solar Energy Industries Association (“GSEIA”), Solar Energy Industries Association (“SEIA”), and Vote Solar; Georgia Watch; Interstate Gas Supply, Inc.; The Kroger Co. (“Kroger”); Lightstar Renewables, LLC[[2]](#footnote-2); Metropolitan Atlanta Rapid Transit Authority (“MARTA”); Resource Supply Management (“RSM”); Sierra Club; Southern Alliance for Clean Energy, Inc. (“SACE”) and Southface Energy Institute (“Southface”); Southern Renewable Energy Association (“SREA”); the U.S. Department of Defense (on behalf of all Other Federal Executive Agencies) (“DOD/FEA”); and Utility Management Services (“UMS”). Thereafter, on October 20, 2022, PIA Staff and Intervenors filed testimony and exhibits presenting their respective direct cases. With the exception of Concerned Ratepayers of Georgia, Cypress Creek Renewables, LLC, Georgia Watch, Interstate Gas Supply, Inc., the Kroger Co., Resource Supply Management, Sierra Club, and Southern Renewable Energy Association, all other parties to this case filed direct testimony in this proceeding on October 20, 2022. Hearings on PIA Staff and Intervenors’ direct cases were held November 8-10, 2022.

Consistent with the Commission’s Final Order in Georgia Power’s 2022 Integrated Resource Plan, Docket No. 44160, the Company filed its supplemental direct testimony, in accordance with the Second Amended Procedure and Scheduling Order, in relation to the Renewable/Non-Renewable-10 (“RNR”) tariff on October 20, 2022. The Company filed errata to their supplemental testimony on November 21, 2022. PIA Staff, Georgia Coalition of Local Governments, GIPL, GA Solar, GSEIA, SEIA, Vote Solar, and Southface Energy Institute and Southern Renewable Energy Association filed their supplemental direct testimonies regarding the RNR tariff on November 18, 2022.

The Company filed its rebuttal testimony on November 18, 2022, in response to the positions advocated by PIA Staff and various intervenors. The Company filed its supplemental rebuttal testimony related to the RNR tariff on November 23, 2022. The Company presented its rebuttal case on November 29-30, 2022. Following the Company’s rebuttal case, the Commission conducted hearings on PIA Staff and Intervenors’ supplemental direct testimony. Following the hearings on PIA Staff and Intervenors supplemental direct testimony, the Commission conducted hearings on the Company’s supplemental rebuttal testimony at which time the hearings were concluded. On December 8, 2022, parties in this matter filed proposed orders and briefs.

At each phase of the hearings of evidence in this case the Commission also heard from numerous public witnesses who expressed their views on the Company’s application, either individually or on behalf of specific groups.

**II.** **LEGAL AUTHORITY AND JURISDICTION**

The Commission has general supervisory authority over electric utilities. O.C.G.A. § 46-2-20 and 21. The Commission has the exclusive power to determine just, and reasonable rates and charges made by Georgia Power Company. O.C.G.A. § 46-2-23(a). Unless the Commission has otherwise authorized the change, Georgia Power Company must provide thirty (30) days’ notice to the Commission and to the public of any proposed change to any rate, charge, classification, or service subject to the jurisdiction of the Commission. O.C.G.A. § 46-2-25(a). The Commission is authorized to suspend the operation of any new schedule and defer the use of such rate, charge, classification, or service for a period not to exceed five months.

**III.** **COMMISSION ACTION**

Following its rebuttal testimony, PIA Staff filed a proposed Settlement Agreement with the Company intended to resolve the issues in the case except for three policy issues left to Commission discretion: 1) the earnings band to be applied for Annual Surveillance Report purposes; 2) the pricing for the Community Solar Program; and 3) the additional amount to be paid for export solar energy pursuant to the RNR tariff. In addition to PIA Staff and the Company, the following intervenors were also parties to the proposed Settlement Agreement: AACE, Chargepoint, Inc., EVgo Services, LLC, GAM, MARTA, DOD/FEA, UMS, the Commercial Group, and Kroger.

Among other provisions, the proposed Settlement provided for: approving twenty five percent (25%) of the Company's proposed Electric Vehicle Make Ready Program; approving sixty percent (60%) of the Company’s proposed Grid Investment Plan (“GIP”); reducing Operation and Maintenance (“O&M”) expenses by an additional $180 million dollars over three years; setting the Residential Service Tariff (“R rate”) as the default rate for all residential premises; allowing for the 5,000 monthly net metering rooftop solar customers to be grandfathered in while providing that new RNR Tariff customers be reimbursed at a rate of avoided cost plus an additional amount to be set by the Commission; and increasing the Qualified Senior Citizen Discount by six dollars ($6.00) per month.

The Proposed Agreement provided for the continuation of the ECCR Tariff which would collect certain environmental costs that will be incurred by the Company including compliance with Coal Combustion Residual Asset Retirement Obligations (“CCR ARO”).

At its regular Administrative Session held on December 20, 2022, the Commission voted to adopt a Commissioner Motion (“Motion”) to accept the Settlement Agreement with certain modifications set forth in the Motion (referred to herein as the “Proposed Agreement or Settlement Agreement as Modified.”).

**IV.** **FINDINGS OF FACT**

1.

The Commission finds that the resolution of the matters raised in this docket, as provided in the Settlement Agreement as Modified, (Attached as Exhibit I) is appropriate and in the best interest of the State of Georgia. It is supported by testimony and other evidence in the record and will result in just and reasonable rates. In discussing the individual components of the Settlement Agreement as Modified, the Commission remains mindful that the Proposed Agreement reflected a compromise among a number of parties with disparate interest, and that the Settlement Agreement as Modified must be considered as a whole. It is plain from reviewing the resolution that no party to the proceeding, including every party that signed on to the Proposed Agreement, prevailed on every issue. However, the Settlement Agreement as Modified offers a fair resolution to the full range of issues presented in this docket.

2.

As set forth in the Motion, the Commission finds that rates shall be set using a 10.50% ROE, which appropriately balances the interests of the Company and its customers, and which the Commission finds to be just and reasonable. The difference between the respective ROE recommendations of Georgia Power and those of PIA Staff and other Intervenors represented the largest dollar amount of any single issue in the case. Georgia Power recommended a ROE of 11% based upon the analysis and recommendation of witness James Coyne. This ROE was within Mr. Coyne’s range of 8.99% to 13.55% and intended to ensure the Company’s continued access to capital markets.

Staff witness Mike Gorman recommended a return on common equity of 9.45%, within the range of 9.00% to 9.90%. Tr. 3515. Gorman recommended rate of return of 6.83% and 6.84% for the test year ending July 31, 2023, and calendar year 2023, respectively. *Id.* Based on a capital structure reflecting a 51% common equity ratio, Gorman recommended an overall rate of return of 6.57% and 6.61% for 2024 and 2025, respectively. *Id.*

GIPL supported Staff’s recommendation stating that the ROE and capital structure strike the right balance between Company profits and reasonable rate. (GIPIL Brief, p.4).

The Commercial Group recommended that the Commission set an ROE for Georgia Power that would balance the interests of ratepayers and the utility and be low enough to help Georgia remain competitive in attracting and keeping businesses in the state; and that any earnings band should be directly tied to the ROE set in this proceeding. (Commercial Group Brief, p. 8).

Georgia Watch agreed with Staff and other intervenors that the Company’s ROE should be lowered to an amount more consistent with the average of their peers. Georgia Watch suggested that a reduction from the current 10.5 percent profit to 10 or 9.5 percent ROE would allow the Company an opportunity to earn a fair return while reducing the impact of its proposed rate increase on their captive ratepayers. In addition, Georgia Watch agreed with Staff that any earnings above the band in 2023 should be applied to recovery of deferred costs and regulatory assets. (Direct Testimony Smith, Trokey, page 132, lines5-7) (Georgia Watch Brief p.2). GSEIA, SEIA, and Vote Solar recommended the Commission set the ROE band to +/- 50 basis points.

The GAM witness testified that a 9.83% ROE setpoint gives Georgia Power more than an adequate opportunity to earn a fair return. (LaConte Direct Testimony, p. 9).

DOD/FEA suggested an authorized ROE of 9.47% (DOD/FEA Brief p. 9). For the earnings band around the target ROE, DOD/FEA recommended it be established at 100 basis points, as originally designed when the ARP was first approved, and eliminate or reduce the 20% of earnings retained by the Company for amounts above the earnings ROE band. (*Id.* p.2).

The Commission finds and concludes that a continued ROE of 10.5% will allow the Company continued access to the capital markets at competitive rates and will allow the Company to construct the infrastructure necessary to serve customers and comply with environmental regulations. Accordingly, the Commission finds the Proposed Agreement’s ROE for setting rates of 10.50% is reasonable and in the public interest.

3.

The Commission approves a capital structure of 56% equity and 44% long term debt for the test period as put forth in the Proposed Agreement. Georgia Power proposed that a capital structure containing approximately 44% debt and 56% common equity be used for ratemaking purposes in this proceeding. This is a continuation of the proposed capital structure approved in the 2019 Georgia Power Rate case.

Staff agreed with the request 56% common equity structure for 2023. However, Staff recommended that the Commission lower the Company’s equity ratio to 51% common equity for 2024 and 2025 after Vogtle Units 3 and 4 are placed in-service, consistent with the ratio approved in the 2013 Rate Case.

GAM pointed out that the average common equity ratio for vertically integrated investor-owned utilities in 2022 is 51.58%. (LaConte Direct Testimony, p. 20).

GIPL recommended an increase in the Company’s proposed common equity ratio to 61.7%, which was justified due to their much lower recommended ROE of 5.54%. (GIPL Brief, p. 2).

Based on the evidence presented and the totality of the Proposed Settlement Agreement, the Commission finds and concludes that a capital structure of 56% common equity level is just and reasonable and will help to mitigate the risk of a credit rating downgrade.

4.

Provision 3 of the Proposed Settlement Agreement approves the Company’s filing with the following modifications to the revenue requirement. The agreed upon adjustments to the Company’s request are set forth in the values in the table below and detailed on Exhibit A of Attachment 1 to this Order. The agreed upon adjustments by category and amount include the following:

1. The Company agrees to reduce the requested GIP spend by 40% over the term of this ARP, as shown in the table below and on Exhibit A of Attachment 1.

1. The Company agrees to reduce EV Make Ready spend by 65% over the term of this ARP, as shown in the table below and on Exhibit A of Attachment 1.[[3]](#footnote-3)

1. The Company will not move forward with a full Distributed Energy Resource Management System (“DERMS”) at this time. To prepare the electric system for higher levels of distributed energy resources (“DER”), the Company will be allowed to begin the following preliminary steps, which will include system modifications to allow for modeling and visibility of DER, integration of these modifications with the Company’s real-time operations platforms such as EMS, DMS, and SCADA, and the establishment of DER remote configuration capabilities. The Company will report back to the Commission in the 2025 Integrated Resource Plan on the development of these systems and the need for any further system modifications to plan for DER integration. The investments made pursuant to this Paragraph will be amortized over 10 years.

1. In addition to the categories listed in the table below, Staff recommended several other adjustments to operations and maintenance (“O&M”) expenses in this case. The Stipulating Parties agreed that the only specific adjustments being made are those identified in the table below. For purposes of settlement and compromise, the Company agreed to further reduce the revenue requirement associated with miscellaneous O&M expenses by $30 million each year, which is not allocated to any particular expense.

|  |  |  |
| --- | --- | --- |
|  | Stock-Based Compensation | Ln 21 |
|  | Energy Direct Premium Packages | Ln 4 |
|  | Executive Financial Planning | Ln 7 |
|  | O&M Scrap Sales Proceeds | Ln 5 |
|  | Wireless Co-Location Revenues (80/20 sharing) | Ln 6 |
|  | Depreciation Expense and Accumulated Depreciation - New Depreciation Rates | Lns 10 - 14 |
|  | Depreciation Expense Reduction for Plant Scherer Units 1-3 and common, and Plant Bowen Units 1-2 (12 years) | Ln 9 |
|  | Reduce projected Storm Damage Accrual to $31M per year | Ln 20 |
|  | CCR ARO recovery methodology to remain consistent with the 2019 base rate case Order except for a four, rather than three, year amortization period. | Ln 18 |
| 65%[[4]](#footnote-4) | Electric Vehicle Make Ready Program | Ln 19 |
| 75% | O&M Expense - Electric Vehicle Make Ready Program | Ln 19 |
| 40% | Grid Investment Plan (Transmission and Distribution Plant Investment), and related Depreciation Expense and Accumulated Depreciation and ADIT | Ln 16 |
| 60% | Preliminary system modifications for Distributed Energy Resource Management System (DERMS) and related Amortization (10-years) and Accumulated Amortization and ADIT | Ln 17 |
|  | Depreciation Expense - Depreciation Rates Correction for Ft Benning and Ft Gordon | Ln 15 |
|  | Property Tax Expense | Ln 22 |
|  | Income Tax Credits Related to the Inflation Reduction Act, including Commission approval to opt out of normalization requirements for specified battery energy storage facilities | Ln 8 |

The Company had proposed to levelized its requested rate increase. The Company argued that customers are fairly compensated for the projected over-collection in the first two years of the levelization. For the projected advancement of revenues in 2023 and 2024, the Company would defer the amount as a regulatory liability, reducing retail rate base and giving customers credit on the advanced amount based on the Company’s full weighted average cost of capital. This proposed deferral reduced the levelized revenue requirement requested by the Company and fully amortizes the advancement by the end of 2025.

PIA Staff recommended a step increase approach, which would increase customer rates by an increasing amount during each of the next three years and better align with the Company’s demonstrated revenue deficiencies in 2024 and 2025.

Georgia Watch supported Staff’s recommendation that the Commission disapprove the Company’s requested ARP as filed in this case. Georgia Watch supported Staff’s recommendation of no increase in base rates in 2023 and no levelized increases in 2024 and 2025. (Direct Testimony Smith, Trokey, page 133, lines 4-20). (Georgia Watch Brief p. 2).

GAM disagreed with Georgia Power’s levelized approach in the ARP. GAM further recommended that the Commission deny Georgia Power’s accelerated recovery proposal and reaffirm that the Plant Scherer units will be recovered over their remaining useful lives as determined in the last rate case. (GAM Brief p.11).

Georgia Power’s Grid Investment Plan as filed included a Distribution Investment Plan (“DIP”) and a Transmission Investment Plan (“TIP”). Georgia Power proposed to continue its GIP in the amount of $2.3 billion from 2023 to 2025. Tr. 1563.

PIA Staff recommended that the Commission reject TIP in its entirety. PIA Staff recommended the Company should determine whether equipment should be replaced based on the objective, periodic, diagnostic testing the Company already employs. Staff also recommended that the Commission reject the circuit hardening and undergrounding packages, which make up approximately 85% of the DIP. In particular, PIA Staff argued that the Commission should reject DIP circuit hardening and undergrounding packages as cost-inefficient. For any components of DIP the Commission approves, Staff recommended that the Commission direct the Company to document SAIDI and SAIFI projections in 2032 and to hold the Company accountable for those projections. Tr. 1625. Staff recommended that the Company employ more aggressive vegetation management programs and more rigorous worst- performing circuit programs in place of their recommended DIP packages.

The Company argued that removing the circuit hardening and undergrounding packages would essentially forestall the purpose of the DIP, which focuses on ensuring lasting reliability improvements while minimizing the total cost to customers. In addition, the Company argued that worsening reliability for a subset of feeders (also referred to as circuits) will be more pronounced without these investment packages, leading to significant negative impacts on customer experience due to more frequent and longer outages, as well as increases in the economic cost incurred by customers.

PIA Staff opined that the cornerstone of the TIP is replacing equipment based on the age of the equipment as opposed to replacing it based on the equipment failing a diagnostic test. PIA Staff did not agree with the Company’s position that such projections or analyses are impossible to provide.

PIA Staff stated that the actual operating condition of transmission and distribution (“T&D”) equipment as measured by periodic, objective testing and inspection programs should be the primary drivers of replacement.

Georgia Power argued that the TIP focuses on replacing aging assets that have or will exceed their Company expected life by the end of the Grid Investment Plan period. As the Company explained, much of its transmission equipment is now approaching 50, 60, and 70 year lives. Based on the Company’s experience, the likelihood of failure for the transmission assets included in the TIP will exponentially increase as the assets age beyond their expected life, and the reliability of the electric system could be negatively impacted as a result. According to the Company, replacing these aged assets will (1) reduce the number of emergency failures, (2) mitigate system operation reliability concerns, and (3) avoid higher maintenance and replacement costs while ensuring the safety of the general public and the Company’s employees.

SREA urged the Commission to hire an independent transmission consultant to provide a report by July 1, 2024, that evaluates multiple scenarios of generation additions and retirements and measures multiple reliability, economic, and other quantifiable benefits associated with specific transmission project recommendations and order the Company to work with the Commission, Staff, stakeholders, and the hired consultant to provide the data and any other information necessary to complete the report. Additionally, SREA recommended the Commission open a new docket to evaluate the current transmission planning processes and evaluate recommendations for reform and improvements. (SREA Brief p. 1).

SACE and Southface suggested the Company work with Staff and stakeholders to develop a cost-benefit framework methodology for T&D investments. (SACE/Southface Brief p. 23).

With the exception of the costs associated with the EV Make Ready Program, the Commission finds the proposed revenue requirement modifications to be reasonable and appropriate and approves the adjustments in accordance with the Proposed Agreement. The Commission finds that a reduction in the Company’s requested GIP spend by 40% over the term of this ARP is reasonable. With regards to the other modifications to O&M expenses and other costs made in Provision 3, the Commission finds that the modifications to the Company’s findings are reasonable. The Commission authorizes Georgia Power to opt out of the IRS tax normalization requirements for the purposes of recognizing eligible Investment Tax Credits for specified battery energy storage facilities in accordance with the Inflation Reduction Act. The modification to the EV Make Ready Program will be further addressed below.

5.

The Proposed Agreement provides that, effective January 1, 2023, the Company shall increase its traditional base rate tariff to collect an additional $192 million, with additional adjustments in 2024 and 2025 of $273 million and $314 million respectively. (Proposed Agreement Provisions 4).

The Commission finds these base tariff changes to be reasonable based on the evidence presented, therefore, the changes are approved as provided for in the Proposed Agreement. Provided, however, that the increased approval amount for the EV Make Ready Program discussed in Paragraph 33 will increase these amounts slightly. When the Company makes its Compliance filing within thirty days of the date of this decision, the Company shall also file the updated amounts for the traditional base rate tariff adjustments.

6.

The Proposed Agreement provides that effective January 1, 2023, the Environmental Compliance Cost Recovery (“ECCR”) tariff will be adjusted for traditional ECCR costs to reduce collections by $7 million and adjusted to reduce collections by an additional estimated $35 million effective January 1, 2024, and an additional estimated $9 million effective January 1, 2025. Additionally, effective January 1, 2023, the Coal Combustion Residual Asset Retirement Obligations (“CCR ARO”) costs recovered in the ECCR tariff shall be adjusted to reduce collections by $13 million, and adjusted to collect an additional $101 million effective January 1, 2024, and an additional estimated $90 million effective January 1, 2025. The process for revising these estimates is described in Paragraph 8 (a) and (b) of the Proposed Agreement. As approved in the 2019 base rate case order in Docket No. 42516, ECCR shall continue to include the cost for compliance with CCR ARO. The projection of CCR ARO cost will be updated in 2023 and 2024 through compliance filings to set the actual ECCR tariff rates for 2024 and 2025. The Commission reserves the ability to make prudency determinations on the Company’s coal ash related costs.

The Company and PIA Staff both agreed there should be a continuation of the CCR ARO cost recovery methodology approved in the 2019 Rate Case.

GAM Witness Pollock recommended the Company not be allowed to earn a return on the CCR ARO regulatory asset balance until securitization is authorized. GAM stated that fully embedded costs are recovered from the Customer Baseline Load (“CBL”) portion of Real Time Pricing (“RTP”) rates while RTP prices reflect marginal generation (capacity and energy) and transmission costs. GAM argued that to adopt the Watkins proposal would completely undermine RTP, which would no longer reflect marginal costs or real-time prices. (GAM Brief p. 9,13).

Sierra Club recommended that the Company be disallowed from recovering on any coal ash remediation that does not meet federal and state law requirements. They stated in their post hearing brief that the capping of coal ash which mixes with groundwater or mixed with water of any kind is violation of 40 C.F.R. § 257 Subpart D (the “CCR Rule”) and Ga. Comp. R & Regs. 391-3-4-.10 (“Georgia CCR Regulations”). They asserted that the Company’s current plan allows Coal Ash to remain saturated and in contact with groundwater and since this violates both federal and state regulations, the costs of such remediation should be deemed imprudent and disallowed for recovery. Sierra Club stated that despite the testimony of the Company’s witness, the EPA’s decision should not be interpreted as only applying to a specific instance in Ohio. They reiterated that if applied to the current coal ash remediation plan, the Company should not be allowed to recover on remediation plans that are not in compliance with federal or state regulations. They further recommended that the Commission should reserve a decision on the recovery of costs associated with the Hammond AP-3 until a final permit is issued. In accordance with the Proposed Agreement, the Commission is reserving the ability to make prudency determinations on the Company’s coal ash related costs until after a determination of the lawfulness of the Company's Coal Ash remediation plan is made.

Resource Supply Management recommends that the Commission not allow the Company to recover on closed assets. (RSM Brief p. 2).

This Commission has carefully considered the evidence and testimony presented on these issues and finds that it is just and reasonable for Georgia Power to recover CCR ARO compliance costs as provided for in the Proposed Agreement. The Commission finds that it is appropriate to retain the ability to determine prudency on this spending until a later date, as contemplated by the Proposed Agreement.

7.

Provision 6 of the Proposed Agreement states that effective January 1, 2023, Georgia Power shall collect an additional $37 million through the Demand Side Management (“DSM”) tariffs, and as adjusted during the term of this ARP based on the DSM true up process agreed to by the Company and Staff with a projected increase of $27 million effective January 1, 2024, and a projected decrease of $2 million effective January 1, 2025.

The Commission finds that Provision 6 is a reasonable and appropriate approach to the DSM tariff, as adjusted during the ARP.

8.

Provision 7 of the Proposed Agreement that effective January 1, 2023, the Municipal Franchise Fee (“MFF”) tariff will be increased to collect an additional $5 million effective January 1, 2023, an additional estimated $9 million effective January 1, 2024, and an additional estimated $9 million effective January 1, 2025, which dollar amount will change as total revenue adjustments change as allowed by this ARP, as well as with any future Fuel Cost Recovery (“FCR”) changes and future Nuclear Construction Cost Recovery (“NCCR”) changes.

The Commission finds that this provision acceptable and adopts it as part of this Order. Provided, however, that the increased approval amount for the EV Make Ready Program discussed in Paragraph 33 may increase these amounts slightly. When the Company makes its Compliance filing within thirty days of the date of this decision, the Company shall also file any updated amounts for the MFF adjustments.

9.

Consistent with the 2019 base rate case order in Docket No. 42516, for purposes of the 2024 and 2025 rate adjustments, Provision 8 of the Proposed Agreement provides that the Company shall make compliance filings of the updated tariffs at least ninety (90) days prior to the effective date of the tariffs. The Company’s compliance filings will include the following updates:

a) Effective January 1, 2024, (i) the traditional base tariffs shall be adjusted to collect an additional $273 million; (ii) the ECCR tariff shall be adjusted based upon the Compliance filing with updated CCR ARO costs as filed in the most recent semi-annual report for calendar year 2023; (iii) the DSM tariffs shall be adjusted to reflect the DSM costs for calendar year 2024 as approved in Docket No. 44161 and as adjusted based on the DSM true up process agreed to by the Company and Staff; and (iv) the MFF tariff shall be adjusted to collect the MFF cost incurred by the Company. The 2024 increase to traditional base rate tariffs, ECCR tariff, and DSM tariffs will use the most current kWh sales forecast for the applicable year to set the rates.

b) Effective January 1, 2025, (i) the traditional base tariffs shall be adjusted to collect an additional $314 million; (ii) the ECCR tariff shall be adjusted based upon the Compliance filing with updated CCR ARO costs as filed in the most recent semi-annual report for calendar year 2024; (iii) the DSM tariffs shall be adjusted to reflect the DSM costs for calendar year 2025 as approved in Docket No. 44161 and as adjusted based on the DSM true up process agreed to by the Company and Staff; and (iv) the MFF tariff shall be adjusted to collect the MFF cost incurred by the Company. The 2025 increase to traditional base rate tariffs, ECCR tariff, and DSM tariffs will use the most current kWh sales forecast for the applicable year to set the rates.

The Commission finds that requirement that compliance filings of the updated tariffs which must be submitted at least ninety (90) days prior to the effective date of the tariffs as filed in the Proposed Agreement is reasonable and is hereby approved.

10.

The structure of the earnings band was set aside from the Proposed Agreement for Commission decision as a policy issue. Provision 9 provides for ASR purposes, beginning January 1, 2023, the earnings band shall be set at \_\_% to \_\_% ROE, to be decided by the Commission, and the Company shall report earnings based on the actual historic cost of debt and capital structure described in Paragraph 2. The Company will not file a general rate case unless its calendar year retail earnings are projected to be less than the bottom end of the band. (Agreement Provision 9)

At the December 20, 2022 Administrative session, Chair Pridemore offered a motion to set the earnings band from 9.5% to 11.9% ROE. The motion passed 4-1. The Commission finds this motion includes a just, reasonable and appropriate ROE earnings band that is in the public interest.

11.

The Stipulation stated that subsequent to finalization of Staff’s review of the respective ASR, any excess retail revenues above the top end of the earnings band will be shared, with seventy percent (70%) being applied to regulatory assets in the following priority: Accumulated CCR ARO; Retired Generating Plant; and Obsolete Inventory, ten percent (10%) being directly refunded to customers, allocated on a percentage basis to all customer groups including the base revenue contribution of RTP incremental usage, and the remaining twenty percent (20%) retained by the Company.

At the December 20, 2022 Administrative Session, Chair Pridemore offered a motion modifying the sharing mechanism offered by the Stipulation. The motion stated that forty percent (40%) of earnings above the band would be applied to regulatory assets, forty percent (40%) would be directly refunded to customers and twenty percent (20%) would be retained by the Company. The motion passed unanimously. The Commission finds that this motion represents a just, reasonable and appropriate allocation of any excess retail revenues.

12.

Pursuant to Provision 11, the Company will make its ASR filings for this ARP by March 15th of the following year. The Commission will consider the ASR filing and determine any direct refunds and reduction of regulatory assets by December 31st of that year.

The Commission finds that the ASR filing dates for review are appropriate and are hereby approved.

13.

The Company anticipates sharing revenues above the approved ROE band for 2022 with customers under the current ARP. For purposes of settlement, the Company will expedite sharing to provide the return of the estimated amount of customer sharing in the first quarter of 2023. Any revision, if needed, to the estimated amount of sharing will be adjusted once the Commission finalizes its review of the 2022 ASR. The customers’ portion of sharing shall be applied in the manner ordered in the 2019 rate case in Docket No. 42516. (Provision 12 of the Settlement Agreement).

The Commission finds that Proposed Agreement Provision 12 is reasonable and is approved.

14.

The Commission finds that for book accounting and ASR purposes, the schedule for the Nuclear Decommissioning Trust - Tax Funding (reference the attached “Proposed Supplemental Order - Nuclear Decommissioning Costs”) shall be approved. (Agreement Provision 13).

15.

Provision 14 of the Agreement provides that any additional tax benefits related to the Inflation Reduction Act, the Infrastructure and Investment Jobs Act, or any additional state or federal regulations shall accrue as a regulatory liability.

The Commission finds this to be the appropriate regulatory treatment of any state of federal regulation.

16.

The Proposed Agreement states that in the event that the Company determines that an asset is impaired or the Commission approves the retirement of a retail generation asset as a result of any environmental regulation or legislation, the Company may request that costs associated with such impairment or retirement be deferred as a regulatory asset. (Agreement Provision 15).

The Commission finds this provision of the Proposed Agreement to be reasonable and is hereby approved.

17.

Provision 16 of the Agreement provides that the Interim Cost Recovery (“ICR”) mechanism as initially approved in the 2010 Rate Case in Docket No. 31958 is continued throughout the term of this ARP utilizing the earnings band set by the Commission in this case.

The Commission finds that the Provision is reasonable, and it is therefore, approved.

18.

Provision 17 of the Agreement provides beginning in 2023, with the adjustment to traditional base rate tariffs, except as otherwise provided in this Stipulation, the rate increase shall be applied to each traditional base rate on an equal percentage basis. The energy, demand, and basic service charge components of each base rate shall all be adjusted equally. Except as otherwise provided in this Stipulation, the Company will not apply any increase to the basic service charges for the tariffs that had this component adjusted to the full amount of the customer-related costs in the 2019 base rate case or apply an increase to the basic service charge for the domestic and small business rate groups.

GIPL urged the Commission to deny the Company’s proposed basic service charge increase for residential customers because the current charge already recovers costs in excess of the Company’s truly customer-related costs, and the Company’s cost of service analysis shows a decrease rather than an increase in customer-related costs. (GIPL Witness Barnes Testimony at 54-61).

DOD/FEA encouraged the Commission to move toward cost-based rates rather that applying an across-the-board rate increase to all rate classes using guidance from GPC’s filed Class Cost of Service Study (“CCOSS”), using the 4-Coincident Peak (“4-CP”) allocation for production costs; (Exhibit GPC 31-LPE-5 and Exhibit GPC 32-LPE-6).

After careful consideration, the Commission finds that adjusting traditional rate base tariff as set forth in the Proposed Settlement Agreement is just and reasonable.

19.

The Commission finds it reasonable for tariffs within the Medium and Large Business rate groups to receive an equal adjustment to the energy, demand, and basic service charge components. (Agreement Provision 18).

20.

MARTA asked the Commission to grant its request to exempt the ET Tariff from any rate increase as part of Georgia Power’s 2022 Rate Case stating that its investment in its infrastructure and public transportation services, particularly rail services, have a great multiplying effect on economic development in Georgia and the Atlanta region, increasing Georgia Power’s electric sales to new customers and spreading the cost of service. (MARTA Brief p. 13).

The Commission finds it appropriate for Georgia Power to allocate the Electric Transportation (“ET”) tariff on 50% of the base rate increase. The revenue deficiency for this adjustment will be accounted for within the Government/Institutional tariff group. (Agreement Provision 19).

21.

Provision 20 of the Agreement states that the Company will move the Medium Business and Large Business rate groups closer to parity, beginning in 2023, rates in the Medium Business and Large Business rate groups will receive 85% of the overall base rate increase with the resulting revenue deficiency being spread to other rate groups excluding the Small Business, Lighting, Agricultural, and Marginal Rate groups, which will receive the overall base rate increase.

The Commercial Group requested the Commission move class rates closer to parity noting that now, Medium Business and Large Business class rates are substantially above-cost. The Commercial Group stated that if the Commission expands TOU-FD eligibility to include unaffiliated restaurants, the Commission should contain any revenue erosion from such expansion to the TOU-FD rate itself. (Commercial Group Brief, p.1).

GAM supported the movement of the rate classes closer to parity consistent with principles of cost causation, fairness and gradualism. (GAM Brief, p.11).

RSM recommended the Company use their Cost-of-Service study in order to create their rate design proposals. It argued that commercial customers rates be set to the demand costs rather than collecting part of its fixed costs in a volumetric manner. It pointed that out that the Company is correctly setting the residential rates to collect demand costs after the old rates were being collected volumetrically.

The Commission finds the Company’s move to bring Medium and Large Business rate groups closer to parity reasonable and approves Provision 20 of the Agreement.

22.

Pursuant to Provision 21 of the Settlement Agreement, the Company agrees to work with the Department of Defense to investigate a Backup rider for customers on the Real Time Pricing rate who install customer-owned generation that normally operates at least 6,000 hours per year. The Company will meet with the DOD within 90 days of the final Order in the case to begin that collaboration.

DOD/FEA recommended that to ensure that the customer capacity is reliable and to prevent cost-shifting onto other customers, it requested that RTP customers be given the option to subscribe to and pay for GPC Backup (“BU”) services by changing the Applicability Section of the BU rate schedule to allow RTP customers to enroll, and to specify the rates that would apply to RTP BU customers. With BU service firming up the reliability and cost recovery from RTP customer generation, such a customer should qualify for a CBL reduction. (DOD/FEA Brief p. 5).

The Commission encourages this collaborative arrangement between the DOD/FEA and approves this Provision of the Settlement Agreement.

23.

In Provision 22, Georgia Power and Staff agreed that the Residential Service tariff (“R rate”) will be the default rate for all residential premises.

Staff and numerous intervenors all proposed the same or similar recommendations. Staff, GIPL, and other intervenors all submitted extensive testimony demonstrating that Schedule TOU-RD has been significantly more expensive for customers than other available rates and that demand rates are inferior to volumetric time-of-use rates for providing efficient and actionable price signals to residential customers.

GIPL encouraged the Commission to order the Company to return to using the basic volumetric residential tariff, Schedule R, as the default rate and halt use of the complicated demand charge tariff, Schedule TOU-RD, as the default tariff for new residential premises. In the alternative, if the Commission prefers a time-varying rate as the default for new premises, it should set the time-of-use nights & weekends tariff, Schedule TOU-REO. (GIPL Brief p. 2-3).

Georgia Watch stated that the residential R-tariff should remain the default rate for all customers. Customers in newly constructed dwellings already defaulted onto the Company’s TOU-RD rate should receive notification of the likelihood they have or will experience higher bills due to this rate.

The Coalition asserted that the standard R tariff should be maintained and become the default rate for both newly constructed and pre-existing premises. If the TOU-RD rate is maintained, the Coalition stated, it should not be the default for any customers, should be fully optional, and should be adjusted so that the demand charge will only apply to peak hours (i.e. between 2 pm and 7 pm on non-holiday weekdays between June and September). Additionally, the Coalition supported PIA Staff’s recommendation that the Company be ordered to create a rate comparison tool for all residential customers to better enable them to select the best rate for their usage and demand profile. (Coalition Brief p. 13)

The Commission finds that the evidence supports that the R rate should and shall be the default rate for all residential premises as laid out in Provision 22.

24.

Provision 23 of the Agreement states that the Company will maintain the R rate as a rate option available to all residential customers. In addition, there will be an elimination of the declining-block rates during the non-summer months to a flat rate for all kWh usage. The relationship between the summer and non-summer base rate energy charge revenues will be maintained.

The Commission supports the maintenance of the R rate as a rate option and the relationship between the summer and non-summer base rate energy charge revenues and approves this measure.

25.

The Proposed Agreement provides that the Stipulating Parties agree that within ninety (90) days of the Final Order in this docket, the Company and Staff will collaborate on a process to consider potential options for the expansion of income qualified discount opportunities to assist customers. (Provision 24). This process will allow for interested stakeholders to provide input on the options to be considered. Stipulating Parties further agree that within 270 days of the Final Order in this docket, the Company, after considering input from interested stakeholders, will report back to the Commission on their findings and may recommend additional action. Any potential program options must consider cost impacts to non-participating customers as well as the impacts of any revenue erosion.

The Commission finds that this provision is reasonable and is approved.

26.

Provision 25 of Proposed Agreement provides that the Company will agree to file quarterly reports regarding the location, peak demand, usage, and revenue of the Charge It Electric Vehicle rider.

The Commission finds this provision to be just and reasonable.

27.

The Proposed Agreement provided that the Company will withdraw proposed Section F.9 of the Company’s Rules and Regulations for Electric Service and will work with the Georgia Association of Manufacturers and Staff to identify alternative language, which will be filed with the Company’s compliance filing in this case. (Agreement Provision 26).

The Commission finds this provision to be just and reasonable.

28.

The Proposed Agreement, No. 27, provided that the interconnection fee found in Section G of the Company’s Rules and Regulations for Electric Service for customer generators smaller than 250 kW will be $100 for residential customers and $200 for commercial and industrial customers. The Company’s proposed modification to the language in Section G.3 will limit the Company’s communication with and control of the customer’s generator to those capabilities provided in IEEE 1547-2018 (or as it is subsequently amended) and will only apply to new interconnecting customer generators at or above 250 kW and existing interconnected customer generators who expand or modify their generation facility.

Staff, SACE and Southface urged the Commission reduce the proposed interconnection fee for the RNR tariff to the $100 recommendation of PIA Staff and waive this fee for income-qualified customers. (SACE Brief p.5).

The Commission finds the interconnection fee structure included in Provision 27 of the Proposed Agreement to be just and reasonable.

29.

The Proposed Agreement provided that the pricing for the Community Solar program, the Stipulating parties agree that this is a policy issue for Commission determination. Depending on the Commission’s intent for the program. The Company’s proposed $27.99 per block for residential customers and $29.99 for commercial customers and Staff’s proposed $20 per block for residential customers and $22 for commercial customers. (Provision 28).

The Coalition supported PIA staff’s proposed price of $20 for residential customers and $22 for commercial customers, which it believes, strikes a more appropriate balance in terms of allocating costs and benefits and creates a more attractive program. The Company’s argument that bill savings are not the purpose of the program should be rejected. The Coalition argued that the Commission has the authority and opportunity to revisit the purpose of the program in this rate case and create an offering that provides customers the opportunity to support the growth of renewable energy on Georgia Power’s system and realize bill savings. (Coalition Brief p. 8).

At the December 20, 2022 Administrative Session, Commissioner Johnson made a motion to modify Paragraph 28 of the Stipulation. The motion set the pricing for the Community Solar program at $24 per block for residential customers and $25 per block for commercial customers. The motion was adopted unanimously. After weighing the arguments, the Commission finds that the motion is a just and reasonable resolution to this issue.

30.

The Proposed Agreement in Provision 29 stated that the Time of Use – Food and Drink (“TOU-FD”) rate shall remain available to all food services and drinking places identified as 722 of the North American Industry Classification System (“NAICS”) through December 31, 2025. During the term of the ARP, qualifying food services and drinking places will be accepted on TOU-FD on a first come, first allowed basis until the number of accounts on the rate equals 6,000. Any revenue erosion from the TOU-FD rate conversion during the term of the ARP will be captured in a regulatory asset account and recovered through rates in 2024 and 2025. All revenue loss resulting from the implementation of this provision shall be recovered by the Company from the TOU-FD rate.

UMS, representing the restaurant and food services industry, proposed that Georgia Power should modify the TOU-FD rate by extending the deadline for new qualifying customers to enroll in the TOU-FD rate by (3) three years, from December 31, 2022, until December 31, 2025, and to revise the current language in the TOU-FD-7 tariff such that the revised language reads: “Qualifying accounts will be accepted on TOU-FD on a first come, first allowed basis until the number of accounts equals 6,000 or until December 31, 2025, whichever occurs first.” UMS recommended the Commission maintain its discretion to consider the Georgia Power’s concerns over possible rate impacts associated with TOU-FD and will apply revenue erosion associated with TOU-FD back to TOU-FD in future rate case proceedings before the Commission. (UMS Proposed Order p. 1).

The Commission finds that the Proposed Agreement provides for a just and reasonable settlement of this issue.

31.

In the Proposed Agreement, the Company agreed to continue to make the Time of Use Residential Energy Only (“TOU-REO”) rate available to customers. (Provision 30).

The Commission finds that this provision is just and reasonable.

32.

In the Proposed Agreement Provision 31, the Company agreed to rename the TOU-PEV tariff to clarify the broad availability of the tariff to Residential customers that do not own an electric vehicle.

The Commission finds that this clarification to the TOU-PEV tariff is just and reasonable.

33.

The Proposed Agreement stated that the Company’s collective Electric Transportation program proposed in this case for investments in community electric vehicle (“EV”) charging facilities and electric transportation infrastructure upgrades to support customer EV charging (i.e., Make Ready, infrastructure maintenance, administrative costs, Community Charging, and rebates) is approved, provided however, that the EV Make Ready program would be approved at a reduced rate from the requested budget level, and the program shall be modified to prioritize electrification of public fleets and publicly available charging.

The Make Ready program will now allow EV charging providers to participate under the following conditions: (i) they have the permission of the site host customer to operate on the site host customer’s premises; (ii) they will coordinate with the site host and Georgia Power for purposes of the Make Ready program; (iii) Georgia Power is able to obtain all required easements and any other rights required to implement the Make Ready program; and (iv) Georgia Power retains final approval of Make Ready project design. In addition, Make Ready criteria and terms and conditions will be available on Georgia Power’s website. A Term Sheet detailing the operation of the Company’s Electric Transportation program is attached to the Stipulation. The Company agrees to develop reporting requirements for the Electric Transportation program to keep the Commission informed of the program’s progress. The Company also agreed that charger locations under the Community Charging component of the program will be subject to a right of first refusal for private EV charging providers and further agrees to establish publicly available criteria for the Company’s Community Charging locations as detailed in the Term Sheet, hereto attached as Attachment 2. The Charge It Electric Vehicle rider is approved and will be available to all existing and new EV charging providers.

Additionally, the Company will work with Staff and the EV parties signing the Stipulation to review and design an alternate commercial EV rate in addition to the Charge It Electric Vehicle rider, which will enable the Company to collect the costs to provide electric service to EV charging providers through a transparent pricing structure and support the growth of EV commercial charging investments. The alternative design should primarily collect costs through a volumetric structure but may also allow for some collection of costs – such as distribution costs – through demand charges. In developing the rate, the parties will consider a variety of rate designs to ensure the best rate solution is developed. The Company will file an alternative EV charging rate within six months of the execution of the Final Order in this docket. The Company’s Electric Transportation program and alternative charging rate(s) will be reviewed by the Commission in the next base rate case.

During the hearings, the Company clarified its recommendation to increase the dollar amount that ratepayers will have to pay for capital expenditures related to EV transportation. These expenditures include (1) investments in EV charging facilities and infrastructure upgrades, (2) administrative cost recovery, (3) infrastructure maintenance, and (4) rebates to accommodate the growth of EV transportation. Tr. 78. Specifically, the Company requested $30 million per year for EV capital infrastructure spending for plan years 2023 through 2025, nearly quintupling the $8 million approved for such expenditures in the 2019 rate case. Tr. 1315-17. The majority of that request, $27 million per year, is for the Company’s Make Ready program. *Id*. The remaining $3 million is for infrastructure upgrades for the Community Charging program. Tr. 1324.

Staff recommended that the Commission deny the Company their proposed increase to the Make Ready Program. (Staff Brief p. 19).

ChargePoint supported Georgia Power’s proposal to invest in EV charging facilities and infrastructure upgrades, as long as site hosts that participate in the make ready and community charging infrastructure programs continue to be able to choose their preferred charging equipment. (ChargePoint Brief, p.1).

Sierra Club recommended that the Company’s investment in EV charging infrastructure is reasonable and prudent and should be approved. They stated the Make Ready Program will benefit all ratepayers, is in the public interest, and the need will not be met by private investors. Sierra Club asserted that the Make Ready Program also supplies the infrastructure that the Clean School Bus Program does not cover. Sierra Club argued that Governments across the state are transitioning to electric vehicles and providing the public for access points to charge would be in the public interest. (Direct Testimony of C. Nicholas Deffley and David Nifong p. 4.)

Resource Supply Management recommended the Company not be allowed to compete with private investors who do not receive subsidization from other non-EV user and that the new EV rate should be available to both new and existing customers. (RSM p. 3).

At the December 20, 2022 Administrative Session, Commissioner Echols offered a motion modifying the Stipulation. The motion modified paragraph 32 of the Stipulation such that the EV Make Ready Program shall be approved at 65% of the Company’s requested budget level. This increased the Proposed Agreement from 25% of the requested budget to 65% of the requested budget. The motion was approved unanimously. The Commission finds that Commissioner Echols’ Motion offers a just and reasonable outcome to this issue.

Commissioner Echols’ motion also amended the Electric Transportation program Term Sheet to include “franchise automobile dealers” in part one under Public Facing Projects. The Company shall file a revised Term Sheet to reflect this addition within 30 days of the date of this order.

34.

The Proposed Agreement includes a provision that the monthly netting pilot will remain capped at 5,000 customers. The Proposed Agreement further states that the 5,000 customers currently on monthly netting will be grandfathered for 15 years effective January 1, 2023.

To address the potential for continued behind the meter consumer complaints the Company and Staff agreed to collaborate with interested stakeholders to determine whether a more formal framework for the Commission’s referral of consumer complaints to the Consumer Protection Division of the Georgia Attorney General’s Office is needed. The Proposed Agreement states Staff and the Company may make recommendations to the Commission as deemed appropriate for improvements in the process. Further, Staff and the Company shall also continue to review additional ways to improve consumer protection.

During the hearings, Staff recommended that the Commission remove the cap on Renewable and Non- Renewable (“RNR”) Monthly-Netting.

GIPL recommended the Commission expand the monthly netting program for rooftop solar customer suggesting the Commission limit participation to 3% of the Company’s 2021 peak load and revisit the program when participation approaches the limit. (GIPL Brief p. 13).

SACE and Southface urged the Commission to reinstate the RNR monthly netting uncapped for three years during which time the Company must: a) hold workshops with relevant stakeholders to: (i) consider alternative compensation rates for excess generation; (ii) monitor industry developments and local consumer protections; and (iii) engage with and educate Georgia Power’s customers on the benefits of behind-the-meter solar and the recently restored 30% investment tax credit available to Georgia’s taxpayers; b) conduct a cost-of-service study and provide it to Commissioners, PSC Staff, and interested stakeholders prior to the 2025 Rate Case; and c) reduce the proposed interconnection fee for the RNR tariff to the $100 recommendation of PIA Staff and waive this fee for income-qualified customers. (SACE Brief p.5).

GA Solar recommended that the Commission both continue and expand the Company’s monthly netting program.

The Coalition urged the Commission to maintain monthly netting for three years and initiate a collaborative stakeholder process to determine a future successor tariff. (Coalition Brief p. 7)

The Commission finds that continuation of the cap on the number of participants on the monthly net metering program as set forth in the Proposed Agreement is just and reasonable.

35.

The Commission finds that increasing the Income Qualified Senior Citizen Discount by $6 per month, as included in the Proposed Agreement (Provision 34), is just and reasonable as there has not been an increase to the discount in several years.

36.

Provision 36 of the Proposed Agreement states that the Company’s ASR filings Operating Income statement (Section 2 Page 2) will include a separate line item for fuel in Operating Revenues and Operating Expenses. The Company will modify future ASRs Average Rate Base (Section 2 Page 1) to include the following separate line items under Plant-in-Service: Steam – Coal, Steam – Gas, Combined Cycle, Combustion Turbine, Solar, and Other. In order to effectuate an efficient filing of the ASR, the Commission finds this reasonable.

37.

The Commission finds it appropriate that the Company be required to file semi-annual reports on the GIP starting with the period January 1 – June 30, 2023. Staff and the Company will collaborate on the formatting and content of these reports. Staff and the Company will agree to collaborate on what, if any, additional reporting is necessary to address transmission and distribution capital investment. (Provision 37).

38.

In conjunction with the ongoing level of review and analysis required by this Proposed Agreement (Provision 38), Georgia Power will agree to pay for any reasonably necessary specialized assistance to Staff in an amount not to exceed $400,000 annually. This amount paid by Georgia Power under this Paragraph shall be deemed as a necessary cost of providing service and the Company shall be entitled to recover the full amount of any costs charged to the utility. Due to the high costs associated with the ongoing review and analysis needed by the Proposed Agreement, the Commission finds this provision just and reasonable.

39.

GAM witness Pollock testified that the Commission should consider any and all innovative ways to reduce rate impacts for customers while still providing for the financial integrity of Georgia Power. GAM testified to the benefits of securitization financing that could help address some of the extraordinary costs like coal ash cleanup and early coal plant retirement when plants are no longer used and useful. Mr. Pollock described securitization thusly:

Securitization is a financing mechanism that provides timely recovery of certain regulatory assets by issuing a type of debt that would significantly lower the carrying costs of the assets relative to the costs that would be incurred using traditional ratemaking practices. Specifically, a special purpose entity would be created whose sole purpose is to issue transition bonds that are used solely for purposes of reducing the amount of recoverable regulatory assets and any other amounts as determined by the Commission through the refinancing or retirement of utility debt or equity. This special purpose entity would be entitled to the revenues collected by the utility through a separate cost recovery mechanism in an amount sufficient to timely recovery of the debt services associated with securitization bonds.

GAM noted that Securitization legislation was introduced in the 2022 Session of the General Assembly and is likely to be introduced again. In addition to providing up-front cash recovery of costs to Georgia Power, GAM contended, securitization can benefit ratepayers by significantly reducing rate impacts on both a nominal and net-present-value basis. (Pollock Direct Testimony, pp. 11-12).

Resource Supply Management recommended that the Commission cut revenues by disallowance rather than by allowing securitization. They state that most companies would be forced to write off obsolete and non-useful assets.

The Proposed Agreement does not include this adjustment and the Commission finds that the Settlement Agreement as Modified is reasonable as a whole. Additionally, the Commission notes that there is currently no securitization statute applicable. Therefore, GAM and Resource Supply Management’s recommendations are denied.

40.

One of the issues that the Proposed Agreement left to Commission discretion was the amount the Company would agree to pay for excess generation for RNR customers.

Staff stated that if the Commission decides that it would prefer instantaneous net metering, that the rate the Company pays for excess generation be set at the retail rate less 3 cents per kWh beginning January 1, 2023. During the hearings, Staff stated that this issue is a policy decision for the Commission. (Staff Brief p. 24)

SACE/Southface recommended that the Commission pay for excess distributed generation to the grid to be paid at retail rate. (SACE/Southface Brief p. 7).

The Coalition recommended that if the Commission proposes a solution other than monthly netting, it should offer additional support to low- and moderate-income customers, such as a low-income adder or rebate.

In their Brief, GIPL raised an argument claiming that the Georgia Cogeneration and Distributed Generation Act of 2001 O.C.G.A. § 46-3-50 et seq. (“Cogen Act”) required monthly netting. After thoroughly reviewing this argument, the Commission has determined that this is not the case. While the Cogen Act allows for monthly netting, it does not require it. O.C.G.A. § 46-3-55(1)(B) states that “[w]hen the electricity supplied by the electric service provider exceeds the electricity generated by the customer's distributed generation, the electricity shall be billed by the electric service provider*, in accordance with tariffs filed with the commission*.” (emphasis added). The idea that if instantaneous netting were contemplated the bill would be written to make separate calculations between imports and exports of electricity is simply unfounded. The General Assembly made clear that these calculations can be made in accordance with tariffs filed with the Commission*.* (*Id.)*

O.C.G.A. § 46-3-55(1)(B), states that “the electricity” is billed in accordance with the tariffs. It does not restrict that to only “the *net* electricity.”If the Commission were to determine, for instance, that over the course of each month the value of the electricity being placed on the system was the same as the cost of the electricity being provided by the system, monthly netting might be a reasonable way to design the tariff. But, that is not the case here. In this case, the Commission finds that monthly netting would overvalue the electricity that the customer is placing on the Company’s system just as paying only avoided cost would undervalue it. Simply put, monthly netting is a possible way to structure the tariff; but, it is not the only way to structure the tariff.

GIPL also states that by using the term “billing period” in O.C.G.A. § 46-3-55 (1)(A), the General Assembly also meant that monthly netting is the only choice. However, this section does not address how the charge for the electricity that is measured during the billing period is actually calculated. O.C.G.A. § 46-3-55(1)(B) lays out the method for billing that amount of electricity which is measured, in accordance with tariffs filed with the Commission.

At the December 20, 2022 Administrative Session, Commissioner Shaw made a motion that for current and new customers on instantaneous net metering, the Company shall pay avoided cost plus an additional amount of 4 cents per kWh for excess generation beginning January 1, 2023. The additional amount shall be in place for three years and will be reviewed in the Company’s 2025 base rate case. Prior to the next rate case, Staff and the Company shall collaborate to determine whether a monthly minimum bill for customers on the RNR tariff is appropriate. The motion was approved unanimously. After a thorough review of the arguments, the Commission finds that this motion represented a just and reasonable resolution to this issue.

41.

Georgia Power’s basic service charge was moved to cost in the last rate case for PLM, customer-related costs for PLM have also increased since that time. The Kroger Co. claimed if the basic service charge for PLM is not increased in this proceeding it will no longer recover one hundred percent (100%) of customer-related costs and the PLM basic service charge will be too low relative to the PLM other rate elements, from a cost-of-service perspective. Therefore, Kroger contended that it is appropriate to apply a modest increase to the basic service charge along with the hours use energy/demand charges in this case in order to set the basic service charge for PLM at, or close to, cost. (Kroger Brief p.2).

The Proposed Agreement does not include this adjustment and the Commission finds that the Settlement Agreement as Modified is reasonable as a whole. Therefore, the Kroger Co.’s recommendation is denied.

42.

With respect to Schedule Time of Use – Residential Demand (“TOU-RD”) Staff and numerous intervenors all proposed the same or similar recommendations. Staff, GIPL, and other intervenors all submitted extensive testimony demonstrating that TOU-RD has been significantly more expensive for customers than other available rates and that demand rates are inferior to volumetric time-of-use rates for providing efficient and actionable price signals to residential customers. For example, GIPL Expert Witness Barnes demonstrated that Georgia Power’s TOU-RD customers paid on average about $16/month more than they would have on the Schedule R tariff. Mr. Barnes’s analysis showed that on an annual basis, the TOU-RD rate is roughly 4.8 cents/kWh higher than the average of other rates – a significant deviation considering that Georgia Power’s average residential rate is about 13.9 cents/kWh. (GIPIL Brief, pp, 8-9).

GIPIL encouraged the Commission to order the Company to return to using the basic volumetric residential tariff, Schedule R, as the default rate and halt use of the complicated demand charge tariff, TOU-RD, as the default tariff for new residential premises. In the alternative, if the Commission prefers a time-varying rate as the default for new premises, it should set the time-of-use nights & weekends tariff, Schedule TOU-REO. (GIPIL Brief p. 2-3).

Georgia Watch stated that the residential R-tariff should remain the default rate for all customers. Customers in newly constructed dwellings already defaulted onto the Company’s TOU-RD rate should receive notification of the likelihood they have or will experience higher bills due to the flawed design of this rate. (Georgia Watch Brief p. 2).

The Coalition asserted that if the TOU-RD rate is maintained, it should not be the default for any customers, should be fully optional, and should be adjusted so that the demand charge will only apply to peak hours (i.e. between 2 pm and 7 pm on non-holiday weekdays between June and September). Additionally, the Coalition supported PIA Staff’s recommendation that the Company be ordered to create a rate comparison tool for all residential customers to better enable them to select the best rate for their usage and demand profile. (Coalition Brief p. 13)

The Proposed Agreement does not include the adjustment to the Schedule TOU-RD and the Commission finds that the Settlement Agreement as Modified is reasonable as a whole. Therefore, the intervenors' recommendations to adjust the rate are denied. However, the Commission is setting the R rate as the default rate.

43.

SACE recommended the Commission order Georgia power to identify, track, secure federal funding to lower costs to ratepayers across the proposed three-year ARP, during which time, the Company must:

* 1. Provide annual reviews of revenue requirements that identify cost savings available from federal funding in 2024 and 2025, within the three-year ARP.
  2. Adopt an annual step increase with annual review and adjustment for savings from federally available funds instead of locking into the proposed levelized increase.
  3. Develop federal funding tracking processes – agreed upon by the Commission and in collaboration with PIA Staff – which include anticipated funding as well as actual and estimated costs and benefits to customers and the Company.
  4. Provide tax and other savings to benefit customers, including to offset anticipated rate and bill increases during the 2023-2025 period. (SACE Brief p. 6)

SACE recommend the Commission exempt low-income residential customers – at or below 200% of the Federal poverty level – from any rate increase associated with Plant Vogtle. SACE maintains that the Commission should consider the historic, disproportionate allocation of the Nuclear Construction Cost Recovery (“NCCR”) rider when deciding the allocation of the rate increase it considers most equitable. (SACE Brief p. 6-7).

The Proposed Agreement does not include these adjustments and the Commission finds that the Settlement Agreement as Modified is reasonable as a whole. Therefore, SACE’s recommendations are denied. While the Commission has not made a low-income adjustment specific to Plant Vogtle in this order, the Commission has increased the senior low income assistance.

44.

The Coalition recommended that the Commission direct the Company to replace or reprogram residential and commercial meters as needed to collect Hourly Usage Data with all reasonable haste and at the Company’s cost. The Coalition stated it is not opposed to the limited exceptions defined by the Company in its rebuttal testimony. The Coalition also recommended that the My Power Usage platform be modified to make it easier for customers to export data in bulk (i.e. 8760 format as a .csv file). (Coalition Brief p. 9).

During the December 20, 2022 Administrative Session, Commissioner Johnson made a motion that the Company shall open a docket in calendar year 2023 to provide all residential and commercial customers with access to hourly usage data. This new docket should provide the cost to access data and an implementation timeline. The motion further ordered to the Company to replace or reprogram meters as necessary to ensure hourly interval data is easily accessible to all customer classes with Advanced Metering Infrastructure (“AMI”) meters. This data would need to be exportable in bulk in a usable format, such as a .csv file. The motion states that this order will not apply to customers that have opted out of an AMI meter, unmetered accounts, Special Service accounts, or RTP customers. The Commission voted to approve this motion unanimously. The Commission finds that this requirement would be in the public interest and reasonable.

45.

The Commission finds that a three-year term for the Settlement Agreement as Modified ending December 31, 2025 is reasonable. By July 1, 2025, the Company shall file testimony and exhibits required in a general rate case along with supporting schedules required by the Commission to support a “traditional” rate case. The test period utilized by the Company in its rate case filing shall be from August 1, 2025 to July 31, 2026. The Company may propose to continue, modify or discontinue this Alternate Rate Plan. The Company shall also file projected revenue requirements for calendar years 2026, 2027, and 2028. (Proposed Agreement, Provision 35).

##### **V. CONCLUSIONS OF LAW**

1.

The Georgia Public Service Commission has general ratemaking jurisdiction over Georgia Power Company under O.C.G.A. Ch. 2, T. 46. The Georgia Public Service Commission has general supervision over electric light and power companies. O.C.G.A. §§ 46-2-20(a) and 46-2-21. The Commission has “exclusive power to determine what are just and reasonable rates and charges to be made by any person, firm, or corporation subject to its jurisdiction.” O.C.G.A. § 26-2-23; see alsoO.C.G.A. §§ 46-1-1(5), 46-2-24, 46-2-25, 46-2-26.1, and 46-2-26.2.

2.

The Settlement Agreement as Modified complies with the test year statute for electric utilities which provides in relevant part:

*In any proceeding to determine the rates to be charged by an electric utility, the electric utility shall file jurisdictionally allocated cost of service data on the basis of a test period, and the commission shall utilize a test period, consisting of actual data for the most recent12- month period for which data are available, fully adjusted separately to reflect estimated operations during the 12 months following the utility's proposed effective date of the rates. After the initial filing and until new rates go into effect, the utility shall file actual cost of service data as they become available for each month following the actual data which were filed. The utility shall have the burden of explaining and supporting the reasonableness of all estimates and adjustments contained in its cost of service data.*

(O.C.G.A. § 46-2-26.1(b))

Georgia Power filed the requisite data on the basis of a test period, and the Settlement Agreement as Modified uses the test period as a starting point and then makes necessary and appropriate adjustments to reflect operations during the 12 months following the utility’s proposed effective date of the rate. The test period data serves as the benchmark from which adjustments are made for each year of the Alternative Rate Plan. This methodology is consistent both with the statute and with Commission precedent in rate case proceedings dating back to 1998.

3.

The rates resulting from the Settlement Agreement as Modified are fair, just and reasonable. By adopting the Settlement Agreement as Modified, the Commission retains its jurisdiction to ensure that the Company’s rates are fair, just and reasonable.

4.

The remaining terms and conditions of the Settlement Agreement as Modified are reasonable and appropriate. By adopting the Settlement Agreement as Modified, the Commission adopts a reasonable resolution of the remaining issues in this docket.

5.

The Georgia Cogeneration and Distributed Generation Act of 2001 O.C.G.A. § 46-3-50 et seq. (“Cogen Act”) allows for monthly netting; however, it does not require it.

6.

The Commission retains its jurisdiction to ensure that the Company abides by and implements the rates, terms and conditions set forth in the Settlement Agreement as Modified adopted herein, and to issue such further order or orders as this Commission may deem proper.

**VI.** **ORDERING PARAGRAPHS**

**WHEREFORE, IT IS ORDERED,** that the Settlement Agreement as Modified shall be and the same hereby is adopted, that its terms and conditions are fully incorporated herein, and that Georgia Power Company shall comply with said terms and conditions.

**ORDERED FURTHER,** that the terms and conditions set forth in the Settlement Agreement as modified are just and reasonable and shall take effect for service rendered from and after January 1, 2023.

**ORDERED FURTHER,** that the tariffs implemented by Georgia Power to implement the aforesaid annual rate increase in the years 2023, the adjustments contemplated in 2024 and 2025, as well as the terms and conditions of the Settlement Agreement as Modified shall be subject to review by the Commission to ensure that such tariffs, as implemented, are proper and just.

**ORDERED FURTHER,** that for purposes of the rate increase in the year 2023, Georgia Power shall file compliance tariffs within 30 days of the issuance of this Order, reflecting rates to implement the rate increases ordered herein. These tariffs shall reflect the rate allocations adopted in this Order and shall be subject to the Commission's review for final approval. Contemporaneous with the filing of the compliance tariffs, the Company shall file any updates to the traditional base rate tariff adjustments or MFF adjustments as a result of the change in the EV Make Ready approval amount as provided in Paragraphs 5 and 8 of this order.

**ORDERED FURTHER,** that for purposes of the rate adjustments specified in the Settlement Agreement as Modified, the Company shall make compliance filings of the updated tariffs at least 90 days prior to the effective date of the tariffs. Compliance filings shall be served upon all parties of record to this proceeding. Upon receipt of such compliance filing, parties may offer input relative to the filing to the Commission.

**ORDERED FURTHER**, that all findings, conclusions and decisions contained within the preceding sections of this Order are adopted as findings of fact, conclusions of law, and decisions of regulatory policy of this Commission.

**ORDERED FURTHER,** that jurisdiction over this proceeding is expressly retained for the purpose of entering such further order or orders as this Commission may deem proper.

**ORDERED FURTHER,** any motion for reconsideration, rehearing, or oral argument shall not stay the effectiveness of this order unless expressly ordered by the Commission.

The above by action of the Commission in Administrative Session on the 20th of December 2022.

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Sallie Tanner Tricia Pridemore

Executive Secretary Chairman

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date Date

**Attachment 1**

**SETTLEMENT AGREEMENT**

**Georgia Power Company’s 2022 Rate Case**

**Docket No. 44280**

Georgia Power Company (“Georgia Power” or the “Company”) and the Public Interest Advocacy Staff (“Staff”), along with the undersigned Stipulating Parties, agree to the following Alternate Rate Plan (“ARP”), which shall commence January 1, 2023, and shall continue through December 31, 2025. This Stipulation is intended to resolve all issues in this case except (1) the earnings band to be applied for Annual Surveillance Report (“ASR”) purposes, (2) pricing for the Community Solar program, as described in Paragraph 28, and (3) the additional amount to be paid for export energy pursuant to the RNR tariff, as described in Paragraph 33. The Stipulating Parties leave these three issues for the Commission to decide. Other than these issues, the Company’s filing is accepted as filed with the following modifications:

1. Increases to base rate tariffs shall not be levelized but adjusted each year of the ARP.
2. The Company’s retail revenue requirement shall be calculated using a total return on investment of 7.43% in 2023, 7.46% in 2024, and 7.49% in 2025, which incorporates an equity ratio of 56% and a return on equity (“ROE”) of 10.50%.
3. For the purposes of settlement and compromise, the Company’s filing is approved with the following modifications to the revenue requirement. No ratemaking policy or precedent is being set as it pertains to the issues on which the Stipulating Parties disagreed, and the resolution of this case does not suggest that a specific position, policy, or precedent is being adopted by the Stipulating Parties or the Commission on such issues. The agreed upon adjustments to the Company’s request are set forth in the values in the table below and detailed on Exhibit A. The agreed upon adjustments by category and amount include the following:
   1. The Company agrees to reduce the requested Grid Investment Plan (“GIP”) spend by 40% over the term of this ARP, as shown in the table below and on Exhibit A.
   2. The Company agrees to reduce EV Make Ready spend by 75% over the term of this ARP, as shown in the table below and on Exhibit A.
   3. The Company will not move forward with a full Distributed Energy Resource Management System (“DERMS”) at this time. To prepare the electric system for higher levels of distributed energy resources (“DER”), the Company will be allowed to begin the following preliminary steps, which will include system modifications to allow for modeling and visibility of DER, integration of these modifications with the Company’s real-time operations platforms such as EMS, DMS, and SCADA, and the establishment of DER remote configuration capabilities. The Company will report back to the Commission in the 2025 Integrated Resource Plan on the development of these systems and the need for any further system modifications to plan for DER integration. The investments made pursuant to this Paragraph will be amortized over 10 years.
   4. In addition to the categories listed in the table below, Staff recommended several other adjustments to operations and maintenance (“O&M”) expenses in this case. The Stipulating Parties agree that the only specific adjustments being made are those identified in the table below. For purposes of settlement and compromise, the Company agrees to further reduce the revenue requirement associated with miscellaneous O&M expenses by $30 million each year, which is not allocated to any particular expense.

**Exhibit A**

|  |  |  |
| --- | --- | --- |
|  | Stock-Based Compensation | Ln 21 |
|  | Energy Direct Premium Packages | Ln 4 |
|  | Executive Financial Planning | Ln 7 |
|  | O&M Scrap Sales Proceeds | Ln 5 |
|  | Wireless Co-Location Revenues (80/20 sharing) | Ln 6 |
|  | Depreciation Expense and Accumulated Depreciation - New Depreciation Rates | Lns 10 - 14 |
|  | Depreciation Expense Reduction for Plant Scherer Units 1-3 and common, and Plant Bowen Units 1-2 (12 years) | Ln 9 |
|  | Reduce projected Storm Damage Accrual to $31M per year | Ln 20 |
|  | CCR ARO recovery methodology to remain consistent with the 2019 base rate case Order except for a four, rather than three, year amortization period. | Ln 18 |
| 75% | Electric Vehicle Make Ready Program | Ln 19 |
| 75% | O&M Expense - Electric Vehicle Make Ready Program | Ln 19 |
| 40% | Grid Investment Plan (Transmission and Distribution Plant Investment), and related Depreciation Expense and Accumulated Depreciation and ADIT | Ln 16 |
| 60% | Preliminary system modifications for Distributed Energy Resource Management System (DERMS) and related Amortization (10-years) and Accumulated Amortization and ADIT | Ln 17 |
|  | Depreciation Expense - Depreciation Rates Correction for Ft Benning and Ft Gordon | Ln 15 |
|  | Property Tax Expense | Ln 22 |
|  | Income Tax Credits Related to the Inflation Reduction Act, including Commission approval to opt out of normalization requirements for specified battery energy storage facilities | Ln 8 |

1. Effective January 1, 2023, traditional base tariffs shall be adjusted to collect $192 million, with additional adjustments in 2024 and 2025 of $273 million and $314 million, respectively.
2. Effective January 1, 2023, it is estimated that the Environmental Compliance Cost Recovery (“ECCR”) tariff will be adjusted for traditional ECCR costs to reduce collections by $7 million, and adjusted to reduce collections by an additional estimated $35 million effective January 1, 2024, and an additional estimated $9 million effective January 1, 2025. Additionally, effective January 1, 2023, it is estimated that the Coal Combustion Residual Asset Retirement Obligations (“CCR ARO”) costs recovered in the ECCR tariff shall be adjusted to reduce collections by $13 million, and adjusted to collect an additional $101 million effective January 1, 2024, and an additional estimated $90­­­­­­ million effective January 1, 2025. The process for revising these estimates is described in Paragraph 8 (a) and (b). As approved in the 2019 base rate case order in Docket No. 42516, ECCR shall continue to include the cost for compliance with CCR ARO. The projection of CCR ARO cost will be updated in 2023 and 2024 through compliance filings to set the actual ECCR tariff rates for 2024 and 2025. The Commission reserves the ability to make prudency determinations on the Company’s coal ash related costs.
3. Effective January 1, 2023, Georgia Power shall collect an additional $37 million through the Demand Side Management (“DSM”) tariffs, and as adjusted during the term of this ARP based on the DSM true up process agreed to by the Company and Staff with a projected increase of $27 million effective January 1, 2024, and a projected decrease of $2 million effective January 1, 2025.
4. Effective January 1, 2023, the Municipal Franchise Fee (“MFF”) tariff will be increased to collect an additional $5 million effective January 1, 2023, an additional estimated $9 million effective January 1, 2024, and an additional estimated $9 million effective January 1, 2025, which dollar amount will change as total revenue adjustments change as allowed by this ARP, as well as with any future Fuel Cost Recovery (“FCR”) changes and future Nuclear Construction Cost Recovery (“NCCR”) changes.

1. Consistent with the 2019 base rate case order in Docket No. 42516, for purposes of the 2024 and 2025 rate adjustments, the Company shall make compliance filings of the updated tariffs at least ninety (90) days prior to the effective date of the tariffs. The Company’s compliance filings will include the following updates:
2. Effective January 1, 2024, (i) the traditional base tariffs shall be adjusted to collect an additional $273 million; (ii) the ECCR tariff shall be adjusted based upon the Compliance filing with updated CCR ARO costs as filed in the most recent semi-annual report for calendar year 2023; (iii) the DSM tariffs shall be adjusted to reflect the DSM costs for calendar year 2024 as approved in Docket No. 44161 and as adjusted based on the DSM true up process agreed to by the Company and Staff; and (iv) the MFF tariff shall be adjusted to collect the MFF cost incurred by the Company. The 2024 increase to traditional base rate tariffs, ECCR tariff, and DSM tariffs will use the most current kWh sales forecast for the applicable year to set the rates.
3. Effective January 1, 2025, (i) the traditional base tariffs shall be adjusted to collect an additional $314 million; (ii) the ECCR tariff shall be adjusted based upon the Compliance filing with updated CCR ARO costs as filed in the most recent semi-annual report for calendar year 2024; (iii) the DSM tariffs shall be adjusted to reflect the DSM costs for calendar year 2025 as approved in Docket No. 44161 and as adjusted based on the DSM true up process agreed to by the Company and Staff; and (iv) the MFF tariff shall be adjusted to collect the MFF cost incurred by the Company. The 2025 increase to traditional base rate tariffs, ECCR tariff, and DSM tariffs will use the most current kWh sales forecast for the applicable year to set the rates.
4. For Annual Surveillance Reporting (“ASR”) purposes, beginning January 1, 2023, the earnings band shall be set at \_\_% to \_\_% ROE and the Company shall report earnings based on the actual historic cost of debt and capital structure described in Paragraph 2. The Company will not file a general rate case unless its calendar year retail earnings are projected to be less than the bottom end of the band.
5. Subsequent to finalization of Staff’s review of the respective ASR, any excess retail revenues above the top end of the earnings band will be shared, with seventy percent (70%) being applied to regulatory assets in the following priority: Accumulated CCR ARO; Retired Generating Plant; and Obsolete Inventory, ten percent (10%) being directly refunded to customers, allocated on a percentage basis to all customer groups including the base revenue contribution of RTP incremental usage, and the remaining twenty percent (20%) retained by the Company.
6. The Company will make its ASR filings for this ARP by March 15th of the following year. The Commission will consider the ASR filing and determine any direct refunds and reduction of regulatory assets by December 31st of that year.
7. The Company anticipates sharing revenues above the approved ROE band for 2022 with customers under the current ARP. For purposes of settlement, the Company will expedite sharing to provide the return of the estimated amount of customer sharing in the first quarter of 2023. Any revision, if needed, to the estimated amount of sharing will be adjusted once the Commission finalizes its review of the 2022 ASR. The customers’ portion of sharing shall be applied in the manner ordered in the 2019 rate case in Docket No. 42516.
8. For book accounting and ASR purposes, the schedule for the Nuclear Decommissioning Trust - Tax Funding (reference the attached “Proposed Supplemental Order - Nuclear Decommissioning Costs”) shall be approved.
9. Any additional tax benefits related to the Inflation Reduction Act, the Infrastructure and Investment Jobs Act, or any additional state or federal regulations shall accrue as a regulatory liability.
10. In the event that the Company determines that an asset is impaired or the Commission approves the retirement of a retail generation asset as a result of any environmental regulation or legislation, the Company may request that costs associated with such impairment or retirement be deferred as a regulatory asset.
11. The Interim Cost Recovery (“ICR”) mechanism as initially approved in the 2010 Rate Case in Docket No. 31958 is continued throughout the term of this ARP utilizing the earnings band set by the Commission in this case.
12. Beginning in 2023, with the adjustment to traditional base rate tariffs, except as otherwise provided in this Stipulation, the rate increase shall be applied to each traditional base rate on an equal percentage basis. The energy, demand, and basic service charge components of each base rate shall all be adjusted equally. Except as otherwise provided in this Stipulation, the Company will not apply any increase to the basic service charges for the tariffs that had this component adjusted to the full amount of the customer-related costs in the 2019 base rate case or apply an increase to the basic service charge for the domestic and small business rate groups.
13. Tariffs within the Medium and Large Business rate groups will receive an equal adjustment to the energy, demand, and basic service charge components.
14. The Electric Transportation (“ET”) tariff will be allocated 50% of the base rate increase. The revenue deficiency for this adjustment will be accounted for within the Government/Institutional tariff group.
15. To move the Medium Business and Large Business rate groups closer to parity, beginning in 2023, rates in the Medium Business and Large Business rate groups will receive 85% of the overall base rate increase with the resulting revenue deficiency being spread to other rate groups excluding the Small Business, Lighting, Agricultural, and Marginal Rate groups, which will receive the overall base rate increase.
16. The Company agrees to work with the Department of Defense to investigate a Backup rider for customers on the Real Time Pricing rate who install customer-owned generation that normally operates at least 6,000 hours per year.  The Company will meet with the DOD within 90 days of the final Order in the case to begin that collaboration
17. The Residential Service tariff (“R rate”) will be the default rate for all residential premises.
18. The Company will maintain the R rate as a rate option available to all residential customers. In addition, there will be an elimination of the declining-block rates during the non-summer months to a flat rate for all kWh usage. The relationship between the summer and non-summer base rate energy charge revenues will be maintained.
19. The Stipulating Parties agree that within ninety (90) days of the Final Order in this docket, the Company and Staff will collaborate on a process to consider potential options for the expansion of income qualified discount opportunities to assist customers. This process will allow for interested stakeholders to provide input on the options to be considered. Stipulating Parties further agree that within 270 days of the Final Order in this docket, the Company, after considering input from interested stakeholders, will report back to the Commission on their findings and may recommend additional action. Any potential program options must consider cost impacts to non-participating customers as well as the impacts of any revenue erosion.
20. The Company will agree to file quarterly reports regarding the location, peak demand, usage, and revenue of the Charge It Electric Vehicle rider.
21. The Company will withdraw proposed Section F.9 of the Company’s Rules and Regulations for Electric Service and will work with the Georgia Association of Manufacturers and Staff to identify alternative language, which will be filed with the Company’s compliance filing in this case.
22. The interconnection fee found in Section G of the Company’s Rules and Regulations for Electric Service for customer generators smaller than 250 kW will be $100 for residential customers and $200 for commercial and industrial customers. The Company’s proposed modification to the language in Section G.3 will limit the Company’s communication with and control of the customer’s generator to those capabilities provided in IEEE 1547-2018 (or as it is subsequently amended) and will only apply to new interconnecting customer generators at or above 250 kW and existing interconnected customer generators who expand or modify their generation facility.
23. Regarding the pricing for the Community Solar program, the Stipulating parties agree that this is a policy issue for Commission determination. Depending on the Commission’s intent for the program, it can adopt either the Company’s proposed $27.99 per block for residential customers and $29.99 for commercial customers or Staff’s proposed $20 per block for residential customers and $22 for commercial customers.
24. The Time of Use – Food and Drink (“TOU-FD”) rate shall remain available to all food services and drinking places identified as 722 of the North American Industry Classification System (“NAICS”) through December 31, 2025. During the term of the ARP, qualifying food services and drinking places will be accepted on TOU-FD on a first come, first allowed basis until the number of accounts on the rate equals 6,000. Any revenue erosion from the TOU-FD rate conversion during the term of the ARP will be captured in a regulatory asset account and recovered through rates in 2024 and 2025. All revenue loss resulting from the implementation of this provision shall be recovered by the Company from the TOU-FD rate.
25. The Company will continue to make the Time of Use Residential Energy Only (“TOU-REO”) rate available to customers.
26. The Company agrees to rename the TOU-PEV tariff to clarify the broad availability of the tariff to Residential customers that do not own an electric vehicle.
27. The Company’s collective Electric Transportation program proposed in this case for investments in community electric vehicle (“EV”) charging facilities and electric transportation infrastructure upgrades to support customer EV charging (i.e., Make Ready, infrastructure maintenance, administrative costs, Community Charging, and rebates) is approved, provided however, that the EV Make Ready program shall be approved at 25% of the requested budget level, and the program shall be modified to prioritize electrification of public fleets and publicly available charging. The Make Ready program will now allow EV charging providers to participate under the following conditions: (i) they have the permission of the site host customer to operate on the site host customer’s premises; (ii) they will coordinate with the site host and Georgia Power for purposes of the Make Ready program; (iii) Georgia Power is able to obtain all required easements and any other rights required to implement the Make Ready program; and (iv) Georgia Power retains final approval of Make Ready project design. In addition, Make Ready criteria and terms and conditions will be available on Georgia Power’s website. A Term Sheet detailing the operation of the Company’s Electric Transportation program is attached to this Stipulation. The Company agrees to develop reporting requirements for the Electric Transportation program to keep the Commission informed of the program’s progress. The Company also agrees that charger locations under the Community Charging component of the program will be subject to a right of first refusal for private EV charging providers and further agrees to establish publicly available criteria for the Company’s Community Charging locations as detailed in the Term Sheet. The Charge It Electric Vehicle rider is approved and will be available to all existing and new EV charging providers. Additionally, the Company will work with Staff and the EV parties signing the Stipulation to review and design an alternate commercial EV rate in addition to the Charge It Electric Vehicle rider, which will enable the Company to collect the costs to provide electric service to EV charging providers through a transparent pricing structure and support the growth of EV commercial charging investments. The alternative design should primarily collect costs through a volumetric structure, but may also allow for some collection of costs – such as distribution costs – through demand charges. In developing the rate, the parties will consider a variety of rate designs to ensure the best rate solution is developed. The Company will file an alternative EV charging rate within six months of the execution of the Final Order in this docket. The Company’s Electric Transportation program and alternative charging rate(s) will be reviewed by the Commission in the next base rate case.
28. The monthly netting pilot will remain capped at 5,000 customers. The 5,000 customers currently on monthly netting will be grandfathered for 15 years effective January 1, 2023. For current and new customers on instantaneous net metering, the Company agrees that it shall pay avoided cost plus an additional amount of \_\_ cents per kWh for excess generation beginning January 1, 2023. The additional amount shall be in place for three years and will be reviewed in the Company’s 2025 base rate case. Prior to the next rate case, Staff and the Company shall collaborate to determine whether a monthly minimum bill for customers on the RNR tariff is appropriate.

To address the potential for continued behind the meter consumer complaints the Company and Staff agree to collaborate with interested stakeholders to determine whether a more formal framework for the Commission’s referral of consumer complaints to the Consumer Protection Division of the Georgia Attorney General’s Office is needed. Staff and the Company may make recommendations to the Commission as deemed appropriate for improvements in the process. Staff and the Company shall also continue to review additional ways to improve consumer protection.

1. The Income Qualified Senior Citizen Discount will be increased by $6 per month.
2. By July 1, 2025, the Company shall file testimony and exhibits required in a general rate case along with supporting schedules required by the Commission to support a “traditional” rate case. The Company will collaborate with Staff to determine what additional supporting materials for revenue estimates will be provided at the time of filing. The test period utilized by the Company in its rate case filing shall be from August 1, 2025, to July 31, 2026. The Company may propose to continue, modify, or discontinue this ARP. The Company shall also file projected revenue requirements for calendar years 2026, 2027, and 2028.
3. The Company’s Annual Surveillance Review (“ASR”) filings Operating Income statement (Section 2 Page 2) will include a separate line item for fuel in Operating Revenues and Operating Expenses. The Company will modify future ASRs Average Rate Base (Section 2 Page 1) to include the following separate line items under Plant-in-Service: Steam – Coal, Steam – Gas, Combined Cycle, Combustion Turbine, Solar, and Other.
4. The Company will be required to file semi-annual reports on the GIP starting with the period January 1 – June 30, 2023. Staff and the Company will collaborate on the formatting and content of these reports. Staff and the Company will agree to collaborate on what, if any, additional reporting is necessary to address transmission and distribution capital investment.
5. In conjunction with the ongoing level of review and analysis required by this agreement, Georgia Power will agree to pay for any reasonably necessary specialized assistance to Staff in an amount not to exceed $400,000 annually. This amount paid by Georgia Power under this Paragraph shall be deemed as a necessary cost of providing service and the Company shall be entitled to recover the full amount of any costs charged to the utility.

**Attachment 2**

**Electric Transportation Programs Term Sheet**

**12/20/2022**

**Make Ready**

* For purposes of prioritizing Make Ready funding, the Company will place Make Ready projects into two groups – (1) Public Facing Projects and (2) Other EV Projects – and provide Make Ready funding to each group as described below:
  + 1. **Public Facing Projects** 
       - Public Facing Projects are projects that involve infrastructure to support (i) EV charging in public locations (e.g., grocery store parking lots, malls, gas stations and convenience stores) and (ii) the electrification of public fleets (e.g., MARTA, public school buses).
       - Consistent with how the Make Ready Program works today, Public Facing Projects would be funded at 100% of the Make Ready costs, which would include funding for the charging panel.
       - The customer would then be responsible for funding the chargers.
    2. **Other EV Projects**
       - Funding shall be first made available to Public Facing Projects prior to funding Other EV Projects.
       - Other EV Projects represent projects that are *not* associated with public chargers or electrification of public fleets; rather, these are projects where an entity (for example, Amazon or UPS) installs chargers on their *private* property to assist with the electrification of their *private* EV fleet.
       - In contrast to how the Make Ready Program works today, going forward, Other EV Projects would receive less funding as compared to Public Facing Projects.
       - Specifically, for Other EV Projects, Georgia Power would *only* fund the infrastructure up to, but not including the electrical panel.

The Other EV Project customer would have to fund the rest of the infrastructure costs themselves; this would include the panel, the charger and beyond.

* The Company will continue to maintain any infrastructure funded through the Make Ready program for the shorter of the life of the asset or ten years, and all Make Ready customers will be required to agree to the Company’s terms and conditions of participation. Maintenance schedules of the infrastructure will be reviewed in the Company’s next base rate case.

**Community Charging**

* Each year, GPC would file a Community Charging Plan (the Plan) with the Georgia PSC
  + The Plan would identify the location of up to (but not more than) eleven (11) Community Chargers GPC plans to install in the forthcoming year based on the budget in the original rate case filing.
  + The Plan will focus on underserved areas -- both rural and income qualified, but which are not located within one (1) mile of a designated Alternative Fuel Corridor or any other location for which funding is provided through the Georgia Electric Vehicle Infrastructure Deployment Plan.
  + Rural areas and Income Qualified areas will be defined as “counties identified as Tier 1 and 2 by the Georgia Department of Community Affairs (DCA).” *See*:  [https://www.dca.ga.gov/sites/default/files/jtc2022.pdf [dca.ga.gov]](https://urldefense.com/v3/__https:/www.dca.ga.gov/sites/default/files/jtc2022.pdf__;!!MLsdJ25-fIk!qxQElbMi2XrLl9WwUtPEWtLgtj_tnMTNjT7UcAArdHmI4PMw07wZYB93QR9BjzHNKdO9PhW_4j7IbVO0hsiUgWxXQ2EQWA$)
* Once the annual Plan is filed, private EV charging service providers (Private Providers) would have a one-time, 60-day right of first refusal (ROFR) to claim a location within 15 miles of a Company-proposed location in the Plan.

* + Specifically,the Private Providers would have the ability to make a filing with the Georgia PSC asserting their intent to serve one or more of the eleven (11) locations identified in the Company’s annual Community Charging Plan.  Should the Private Providers fail to break ground at the community charging location within 1.5 years (18 months), they would waive their ROFR and the right to install chargers at that particular location would revert to GPC.
* Interested parties will have the opportunity to provide comments on the Plan within 30 days of the filing of the Plan.
* The Company’s actual costs incurred to own, operate and maintain approved community charging equipment may be recovered in its rates for retail electric service.
* The need for a Community Charging program will be reviewed in the Company’s next base rate case.

1. The Commission consolidated several intervenors into a single group known in this case as Georgia Conservation Voters. Any intervenor in the group consolidated that did not want to be a part had the right to appear as a public witness. [↑](#footnote-ref-1)
2. The Commission rejected Lightstar Renewables, LLC motion to intervene as the matters they addressed were unrelated to this proceeding. [↑](#footnote-ref-2)
3. The Motions adopted by the Commission in this matter change the EV Make Ready reduction from 65% to 35%. [↑](#footnote-ref-3)
4. As noted in footnote 3, the Motions adopted by the Commission in this matter change the EV Make Ready reduction from 65% to 35%. [↑](#footnote-ref-4)